TURKEY

LONG TERM PROGRAMME

GENERAL MEMORANDUM

Original in French

General remarks

I. — In this programme which is based on the instructions contained in document C (48) 122, the Turkish Government describes the main lines of the economic policy by which it hopes in 1952 to enable Turkey to maintain a satisfactory level of economic activity without extraordinary outside aid.

In this connection, it should be pointed out that this objective must be interpreted as being based on an internal economic stability which, in its turn, would be based on the following factors :

a) The rational exploitation of natural resources, which implies a far-reaching development of capital investments designed to increase and modernise essential equipment, to intensify and improve agriculture, exploit power resources on a rational basis and to develop means of communication.

b) The raising of the standard of living, too low at the moment, with a view to improving the welfare of the population.

c) The sustaining of national efforts through a large influx of foreign capital. This problem is of very special importance, seeing that Turkey, owing to factors peculiar to the country, is in a less favoured position than other participating countries. These factors are :

1) The amount of national savings is still insignificant owing to the fact that nearly the whole is earmarked for consumption. This is most detrimental to Turkey, from the point of view of its essential development, in relation to that of other participating countries.

2) This inadequacy of savings not only held up the provision of national economy with capital goods, but also the development of the welfare of the population.

3) On the other hand, Turkey owns large tracts of arable land capable of yielding large returns as well as mining resources which are not yet rationally exploited.

II. — On the basis of the internal economic stability thus defined, the Turkish Government hopes to reach equilibrium in its balance of payments.

III. — In setting up its Long Term Programme, the Turkish Government paid special attention to the following common targets :

a) To ensure a volume of imports corresponding to the requirements of national economy as set forth above.

b) To establish a kind of balance in regard to different areas, taking due account of the actual possibilities by switching imports from one area to another for purposes of dollar saving.

c) To contribute to stability in other participating countries by supplying them with products enabling them to save dollars, and to increase the volume of Turkey's traditional export products while speeding up export possibilities for products of which there is a shortage in Europe.

d) To develop other dollar-earning exports.

e) To help in stabilising the balance of payments by developing invisible resources to the greatest possible extent.

IV. — The attainment of these targets depends on the following conditions :

a) European economic collaboration must be given practical form as regards both trade and production.

b) Turkey must receive adequate American aid.

c) Favourable general conditions, international and national, must be developed.

Development Possibilities of Turkish Economy

The characteristics of Turkish economy, which have just been briefly summarised, give an indication of the lines on which Turkish economic policy must be developed in order to reach, in 1952, a viability affording a satisfactory level of activity to the Turkish people.

This economic policy anticipates in every field an increase of working productivity with a view to increasing the national income.

To this end, the Turkish plan of action includes :

a) Agricultural production targets.

b) Production targets relating to basic industries : coal, electricity, fuel...

c) Other recovery targets in other fields of economic activity.

I. AGRICULTURAL PRODUCTION

Agriculture plays a predominating part in Turkey's economic life. The rural population amounts to more than 75 %. More than 70 % of the surface of 767,119 square kilometres is suitable for cultivation and cattle breeding. In a general way, however, the output is low for lack of modern equipment, appropriate cultivation methods, seed selections, means to fight plant or animal diseases or parasites, fertilisers, irrigation networks, roads and means of communication.

Turkey has heavily suffered from the nefarious consequences of the last war in the agricultural field owing to the fact that it has been obliged, since 1939, to keep a large part of its farm hands under arms. The consequences of this special situation, which still prevails, weigh heavily on Turkish general economy.

At the present moment more than 50 % of the ploughed lands are under cereals, and thus just suffices to meet the consumption requirements of the country.

However, Turkey, in a spirit of mutual aid, has not hesitated to export its cereal reserves (1946-1947) to some countries which are today members of the O.E.E.C., when the latter were in a most difficult position due to shortage of foodstuffs.

The Turkish Government, realising the necessity to increase as quickly as possible its

agricultural production, has thought it indispensable to concentrate its efforts of the next few years on the achievement :

A) Of the mechanisation programme.

B) Of the irrigation and reclaiming programme.

A) Mechanisation programme.

Turkey owns vast arable spaces. If the country could be provided with the necessary agricultural equipment and machinery it would, thanks to the enlargement of the surface under wheat and to the use of modern methods, increase its production on a considerable scale.

The essential factor in this mechanisation is a delivery of a minimum of 5,500 tractors and the necessary machinery. This equipment would be sufficient to reclaim and exploit a surface of 1,800,000 hectares. It goes without saying that the manpower saved by mechanised agriculture could be drafted into other economic sectors.

B) Irrigation and reclaiming programme.

During recent years, the irrigation problem has been resolutely tackled and some success has been achieved ; one of the main factors of agricultural recovery however, is the prompt fulfilment of two programmes one for the irrigation of 50,000 hectares and the other for the improvement of 48,700 hectares, and the reclaiming of 170,000 hectares of land.

The credits required by Turkey for its agricultural equipment — of which it has an urgent need — amount to about 66 million dollars and its irrigation plans require an external financing of about 6 million dollars.

To increase the production of bread and coarse grains, fats and oils, meat, sugar as well as that of pulse plants and other food products, fibres and other raw materials, Turkey anticipates in its agricultural programme :

a) Increase of the cultivated areas (there is, at the moment, more than 9 million hectares of arable land to reclaim).

b) Increased agricultural returns, this would require :

1. Appropriate agricultural equipment ;
2. Adaptation to rational cultivation systems ;
3. Use of selected seeds and breeding animals ;
4. Efficacious fight against parasites and plant and cattle diseases ;
5. Application and extension of irrigated cultivation ;
6. Rational use of manure, green fertilisers and nitrogenous fertilisers ;
7. Improved agricultural information ;
8. Financing and encouragement of agricultural enterprises.

Cereals.

For the 1948-49 harvest, the estimated production of bread grains amounts to 4,750,000

tons and that of coarse grains to 2,760,000 tons of which 65,000 tons is to be earmarked for export.

At the end of the Long Term Programme, Turkey hopes to reach approximately a production of 6,340,000 tons of bread grains and of 3,600,000 tons of coarse grains. When this level of production is reached, Turkey will be able to export each year 700,000 tons of cereals, perhaps even more.

PULSES.

The production of these amounts at the moment to 300,000 tons (1947 production : 283,000 tons of which 46,816 for export). By appropriate systems and rotations of crops, Turkey will easily reach a yearly production of 400,000 tons of pulses per year (beans, haricot beans, lentils, split peas, etc...), with the possibility of exporting 100,000 tons.

FATS, OILS AND OILCAKE.

In normal years, fat and oil production amounts to 160,000 tons (84,000 tons of butter, 6,000 tons of animal fats and 70,000 of oils). It is true that fat and oil consumption per capita is very low in Turkey in comparison with other countries.

Owing to climatic and economic conditions, Turkey has many facilities for extending the cultivation of oilseeds, mainly cotton, flax, sesame and sunflower and also that of olive tree plantations (more than 450,000 hectares).

By extending the cultivation of cotton, flax — the present prospects are very encouraging — and other oilseeds and by the rational exploitation of olive trees, Turkey will be able to export to participating countries in 1952, while providing for a future consumption increase, 80,000 tons of oils (in the form of linseed, sesame, etc., of olive and cotton oils).

As for oilcake, the export might reach 70,000 tons.

MEAT.

Livestock (cattle, sheep, as well as horses), is increasing satisfactorily. The number of cattle, which before the war was 9,665,000 heads (1934-38 average) rose to 10,663,000 in 1947. It is estimated that in 1952 it will reach the figure of 12,400,000 heads.

The number of sheep is at the moment 40 million heads, to be increased to 45 million in 1952.

It is certain that meat consumption per capita in Turkey is very low (7 kilos per head) ; while anticipating a slight improvement of this figure, Turkey might reach a production of 218,000 tons of meat in 1952-53 with 60,000 tons remaining for export (the 1948 production was estimated at 170,000 tons).

SUGAR.

In this sector, the target is to ensure the country's requirements as far as possible by national production. The effort made up till now in the sugar industry has met with complete success. Consumption, however, is increasing more and more and Turkey is thus obliged to develop this industry.

In 1947, the production was 95,000 tons of refined sugar (125,000 tons of raw sugar). It is estimated that in 1952 it will reach 200,000 tons of raw sugar. Studies are being made for the creation of a new refinery in the Adana region, which will deal with sugar cane.

TEXTILES — FIBRES.

As regards textiles, Turkey has multiple possibilities (cotton, hemp, flax, some varieties of hibiscus — which have afforded better results than jute — silk and, to a certain extent, wool). The object of this textile industry is mainly to meet the requirements of the general public.

Cotton production, which is estimated at 55,000 tons (in fibres) for 1948, of which 15,000 tons are exportable, will rise in 1952 to 90,000 tons (35,000 tons for export).

Hemp production was 8,384 tons during the period 1934-1938. In 1948 it reached 18,818 ; it is estimated that, in 1952, the figure of 32,000 tons will be reached, the greater part of which will be exported to participating countries.

As to flax, apart from varieties which are only cultivated for seed-production, the present production of mixed varieties is about 6,000 tons. No great increase in fibre production is anticipated but, on the other hand, flax cultivation for seed production is extending considerably. It is estimated that in 1952 flax will cover 150,000 hectares with a production of 125,000 tons of seeds, most of which will be exportable.

Wool production might reach in 1952 a level of 47,000 tons of raw wool of which 32,000 will be earmarked for consumption and 15,000 for export.

Turkey's potential in matters of agricultural production may exceed the above limits. It is indubitable that an increase of cultivated areas, the use of fertilisers and manure, the improvement of seed, the perfecting of an irrigation system using surface and subsoil waters, added to the practice of modern agronomic methods and machinery, will contribute as early as 1952-53 to the development of agricultural products exports from year to year.

II. POWER RESOURCES

In order to exploit its power resources,, Turkey has implemented a programme drawn up with the co-operation of various foreign firms and concerns.

This programme — for which the preliminary drafts, plans and blueprints were drawn up after many years of study and experiment, and a part of which is already in operation — comprises the following sections :

A) EQUIPMENT OF THE ZONGULDAK COAL FIELD.

This coalfield, in the North of Turkey, on the shores of the Black Sea, is known to have considerable reserves. Its geographical position and the quality of its coal are a good augury of prosperity.

The aims pursued in equipping this coalfield may be summarised as follows :

1) First, to ensure continuity of production, and minor security measures, seeing that the existing plant, which is of various type and origin, is already almost completely deteriorated, and impossible to repair.

2) To increase production and output and, accordingly, to diminish cost price.

3) To increase exports.

Turkey has already begun partially to organise its coalfields by its own means, and it hopes in 1949-50 to export 100,000 tons of coal.

If the plans of the equipment contemplated in the 1948-52 Programme are carried out, the exportable figure will reach 760,000 tons of washed coal.

B) Brown coal.

Turkey owns several brown coal concerns, the main ones being :

Degirmisez,

Soma,

Tuncbilek.

Three equipment programmes have been prepared for these mines, the known reserves of which amount to 150 million tons. The present yearly output is only 700,000 tons.

The equipment programmes for the mines of Degirmisez and Soma are already carried out in part, and will permit of a production of about 1 million tons as from 1950.

The equipment programme for Tuncbilek, which anticipates a production of 1 million tons a year, is also carried out in part.

The heating power of this brown coal is about 5,000 to 5,500 calories.

The object of the equipment of these mines may be summed up as follows :

1) To provide Western Turkey with solid fuel extracted on the spot without having to transport coal from Zonguldak — hence a saving of high grade coal and of transport.

2) To produce cheap thermic power for consumption centres and to regulate hydraulic power stations.

3) To substitute brown coal for fire-wood for home consumption and thus save timber resources.

Studies and plans for all these works have been already prepared by Turkish engineers in collaboration with American engineers.

C) Electric power stations.

After several years of study, Turkey has prepared part of its electrification programme. The Gatalgzi Thermic Power Station, supplied by mixed fuel from the Zonguldak basin, with a potential of 3 × 20,000 kw., is now ready to work.

In its 1948-52 programme, Turkey provides for the installation of the following electric power stations and high tension lines :

a) Tuncbilek electric power station.

The Tuncbilek electric power station will have a capacity of 3 × 20,000 kw. and will use brown coal waste as fuel. Studies and projects are already under way.

This electric power station will supply current to the nitrogen industry which is to be installed in this area, the mine, and the Ismit and Istamboul areas. Furthermore, as it forms

part of a grid connected with the hydraulic electric power stations, it will be the regulating station of this system.

b) *Caglayik hydraulic electric power station.*

This power station, for which the plans have been drawn up by the Swedish firm of Sentap, will be situated 90 kms West of Ankara on the river Sakarya. Plans have been made for 3 × 12,300 kw. units, but it will first have a power of 2 × 12,300 kw.

It will supply the Ankara and Kirik Kale area.

c) *Kadincik hydraulic electric power station.*

This power station, which will be situated north of Tarsus, between Adana and the port of Mersin, will develop 3 × 7,200 kw. and supply the industries of this area (textiles and agricultural).

Once this part of this electricity programme has been completed, the amount of high grade coal thereby saved, 250,000 tons yearly, will be earmarked for export.

d) *High tension lines.*

The following high tension lines are being constructed and should be terminated by 1952-53 :

1° *Tuncbilek - Izmir - Istanbul high tension line.*

This line will carry surplus power from the electric power station at Tuncbilek to Izmir and Istanbul where requirements are constantly increasing.

It will later (after 1953), be connected to the Turkish North-Eastern grid. It will be approximately of 250 kms in length.

2° *Caglavik - Ankara - Kirik Kale High Tension line.*

This line will carry power to Ankara and Kirik Kale and will be approximately 130 kms in length.

3° *Catalagzi - Karabük High Tension line.*

In order to satisfy the power requirements of the Karabük blast furnaces and steel plant, the construction of a high tension line, 90 kms in length, has been undertaken.

In the second stage of the programme, these lines will be interconnected and linked up with those of other electric power stations.

Iron ore mine at Divrik :

As a result of improvements to the iron ore mine at Divrik it should be possible to increase the present output of 180,000 tons per annum and to reach 500,000 tons per annum from 1951 ; this would render considerable surplus production available for export.

NOTE : A special memorandum on the equipment work to be carried out in the 1948-52 period in the Zonguldak coal basin, lignite, the regional power stations and high tension lines and improvements to the iron ore mine at Divrik, is annexed hereto.

OIL.

Turkey imports annually 25 million dollars worth of oil. These imports increase with the mechanisation of transport and the general and agricultural equipment of the country.

It should be noted that, because of this increased consumption, imports will reach a F.O.B. value of 40,000,000 dollars in 1952-53.

Prospecting carried out in various regions, and recently in the south-east of the territory, have revealed the existence of fairly abundant oil reserves. Outside finance is necessary to continue prospecting and to open up these oil fields.

III. INDUSTRY

In the industrial field, as well as in that of agriculture, Turkey should be considered as a new country.

Despite the advances made by Turkey in the industrial field, its production is far from supplying the country's needs.

In the preparation of its investment programme, the Turkish Government has adhered to the following principles :

a) Modernisation and expansion of existing industry by importing suitable machinery.

b) Rationalisation of production methods in order to reduce cost prices.

c) Reduction of the volume of imports.

A) TEXTILE INDUSTRY.

The textile consumption level in Turkey is very low, compared with that of the other participating countries.

In 1945, consumption reached 1.75 kg of cotton goods per capita, and 0.320 kg of wool tissue. Total consumption amounted to about 33,000 tons of the first and 6,000 tons of the latter.

National production was only in the neighbourhood of 29,000 tons of cotton goods and 5,000 tons of woollens.

If the increase in population and the unavoidable necessity of increasing the present new low consumption level are borne in mind, it will be necessary to provide for the import of at least 17,000 tons of cotton goods and 2,000 tons of woollens ; this would correspond to a value of $ 100 million annually.

In the textile industry, where equipment schemes have already been drawn up, the part which can be carried out in two years will require foreign financing to the extent of 7 million dollars in addition to expenditure already incurred. When the programme has been finally completed, it is anticipated that a reduction of 40 million dollars annually in textile imports will be possible.

B) CELLULOSE AND PAPER INDUSTRY.

Compared with a consumption of 40,000 tons of paper and cardboard annually in the near future, productive capacity is about 23,000 tons and imports of these items cost about 12 million dollars per annum. External aid to the extent of 3.7 million dollars is required to complete the industrial plant of which the construction has already been undertaken, in addition to the expenditure so far incurred.

C) CEMENT INDUSTRY.

Against a consumption which will apparently reach one million tons in the near future, the national production of cement amounts to only 400,000 tons. This 600,000 tons deficit amounts to $ 15 million. Seeing that it would be extremely difficult to import cement from Europe, which has its own reconstruction requirements, the erection of two new cement works has been planned which would absorb 8 million dollars of foreign money. Annual production would then reach 800,000 tons and the quantity of cement acquired for construction work, and especially for the hydraulic projects could thus be supplied by the home industry.

D) CHEMICAL INDUSTRY.

Despite the fundamental importance of agriculture in Turkey's economy, its supplies of nitrogenous fertilizers come from abroad. It can be definitely asserted that fertilizer requirements will increase in the immediate future, in proportion to agricultural recovery. Now, it is extremely difficult to obtain these items at present. The Fertilizer Sub-Committee of the Economic Commission of the International Food Council, at its meetings of September 1947 and January 1948, affirmed the need to ensure a high agricultural yield if Europe were to be fed, and for this purpose to raise the European nitrogenous fertilizer capacity from 1,900,000 to 2,700,000 tons. It also recommended aid to those countries wishing to establish a nitrogen industry and encouragement for the erection of factories, especially in agricultural and coal-bearing countries with a backward economy. Turkey is in the forefront of the countries which the Sub-Committee had in mind. The establishment of this industry, which would cost 6 million dollars in foreign funds, would play a major role, more especially in increasing Turkish agricultural production.

E) MEAT AND FISH INDUSTRIES.

When the proposed meat and fish-processing plants have been completed, and especially when the Turkish fishing industry has undergone large-scale re-equipment, it will be possible to export 60,000 tons of meat, and 75,000 tons of fish, fresh or preserved, to European countries in difficulties for food supplies.

F) SUGAR INDUSTRY.

The Turkish sugar consumption is perhaps lower than that of any of the other participating countries (about 5 to 6 kgs per person per annum).

The four sugar refineries in operation in Turkey, of which the total annual output is between 90,000 and 95,000 tons, are far from covering national consumption, which is continually increasing and will shortly reach 140-150,000 tons. It is therefore most essential to provide

for a fifth refinery which would contribute to dollar saving by reducing considerably the intermittent import of this commodity.

G) Other industries.

The output of the iron and steel industry covers at present about 40 % of the national demand ; this demand is, however, increasing. The expansion of this industry would require the investment of about 42 million dollars, of which 34 millions would be used in payment for plant and equipment to be imported.

The establishment of an organic chemical industry for the exploitation of distilled coal products, and those of the sodium alkali and other inorganic chemical industries, together with the development of an electro-chemical industry had been postponed until they could be financed with the help of foreign funds.

The carbonate and alkali industries especially, whose affinity with the oil industry is obvious, should be established as a matter of urgency.

IV. COMMUNICATIONS

Both the geographic situation of Turkey, surrounded by three seas, and the distribution of its wealth over a very wide expanse of territory, call for a rapid expansion of its communications network and of its means of transport of all types, and its port facilities and installations This would enable raw materials to be moved to the industrial centres, imported goods to the consumer's market and, finally, finished products to consumption centres at home and abroad.

A) Railways.

From its former length of 3,970 kms, the Turkish Railway system has now increased to 7,575 kms. The construction of 282 kms is now being undertaken as part of a programme for 667 kms.

The overhaul of the permanent way throughout the system to enable it to carry a 20 ton load, reconstruction of decaying bridges on the older lines, an increase in personnel which would make it possible to raise the number of locomotives from 862 to 1,090 and of freight waggons to 15,920 between now and 1952-53, and the multiplication and extension of workshops and of the water supply system would, as part of the expenditure, entail foreign finance to the extent of 40 million dollars.

B) Roads.

Of the 43,500 kms of the existing road system, four fifths exist only as tracks of levelled earth in need of repair and with or without bridges. A 9-year programme, divided into three stages of 3 years each, has been drawn-up on the basis of surveys carried out by American experts, for road reconstruction, repair or widening over the 23,000 kms which constitute the revised network.

If outside financial aid is forthcoming shortly, it seems certain that this programme could be completed in less than 9 years, at a cost of 20 million dollars.

C) Ports.

Turkey, whose coastline is over 7,126 kilometres, appears to be urgently in need of improving its existing harbours, of completing those which are under construction, of undertaking the building of certain others, and of supplying them all with modern equipment, if it is to be able to import and export at the proper time and more rapidly than hitherto. This work would cost about 5.3 million dollars of foreign funds.

D) Shipping.

The shipping fleet, mostly composed of overaged vessels, suffered considerably during the war years and the units have become practically unusable. Even with the vessels recently acquired, the existing tonnage is far from adequate for the coastwise traffic of the country.

Vessels which, owing to circumstances, have to be used on foreign lines at the expense of Turkish coastal shipping, only very slightly reduce Turkey's annual freight costs that range from 16 to 20 million dollars. This state of affairs shows the extent to which Turkey needs to increase its merchant fleet and to build the yards necessary for repairing its ships. This scheme would require some 51 million dollars of foreign funds.

V. FOREIGN TRADE

In the midst of a country in ruins, the Turkish Government was confronted with the extremely difficult task of restoring the economic stability of the country.

From the standpoint of external economic relations, it had only its trade balance surplus on which to depend.

Compelled both to supply the country with capital equipment and to raise a standard of living which had fallen very low during the war years, it had to seek a solution of the problem in an expansion of exports rather than in a reduction of imports which were a vital necessity for the country.

Nevertheless, owing to the exceptional circumstances, the Turkish trade showed a deficit until 1930.

In order to avoid the serious effects of the growing deficit in its trade balance upon the economy of the country, the Turkish Government was obliged to take other steps better adapted to the changed conditions of international trade.

Thus, a new Turkish commercial policy came into being ; its principles can be summarised as follows :

a) Introduction of a system of exchange control,

b) Control of trade and services,

c) Introduction of a system of bilateral agreements.

Since 1930, these new arrangements have largely contributed to an improvement in the balance of payments position.

This commercial policy will move towards a system of freer trade, to the extent to which

the economic collaboration of the participating countries and the general international situation make it possible to increase the country's capacity to pay.

It is clear that the efforts undertaken to increase production will contribute largely to an increase in exports. It has been possible to estimate that these, which reached 223.3 million dollars in 1947, will amont to 386.5 million dollars in 1952-53. Thus in 1952-53 exports to the dollar area will amont to 56.4 million dollars and those to South America to 1.5 million dollars.

On the other hand, during the same period, Turkey anticipates an export of 58.1 million dollars to the participating countries of the sterling area and an export of 183.9 million dollars to the other participating countries. The remainder, 86.6 million dollars, will be sent to the non-participating countries of the sterling area and to others.

It may be foreseen that certain European countries to which Turkey was linked more closely than to the others by trade agreements before the war, and certain neighbouring states, will be able to find easily in Turkey certain goods which they find it difficult to obtain elsewhere, especially agricultural and mining products.

The expansion of markets and the modernisation of the economic structure will make it possible to bring about a reduction in prices, since the execution of the programmes for the revival of production will be accompanied by a great decline in cost prices.

Imports amounted to 244.6 million dollars in 1947. In 1952-53 they will amount to 395 million dollars, divided as follows (in million dollars) : North America 63.9, South America 6.2, Participating Countries in the Sterling area 5.64, other participating countries 180.5, non-participating countries 88.

VI. BALANCE OF PAYMENTS

The structure of the Turkish balance of payments is quite different from that of the other participating countries.

Turkey has, in fact, no capital invested abroad, its merchant fleet is of no considerable size, and its tourist industry has not yet reached a stage which would enable it to reckon on any large income. In the trade balance for 1952-53, transport, tourist traffic, profits and dividends, debt services and other charges are estimated at a total of 61 million dollars on the debit side and only 50.6 million dollars on the credit side. It goes without saying that invisible items cannot have a favourable effect on the balance of payments.

From this, it follows that the estimates for the balance of payments in 1952-53 have been founded on the assumption that the four-year programmes for the increase in production and the exploitation of existing resources will be fully accomplished.

It is only natural that Turkey should continue in this way the efforts which it has been making for many years past (with the exception of the short period when a halt was called during the war) for its economic recovery and the elevation of its standard of living.

Regarding imports, as Turkey is a new country, it is not possible to contemplate a noticeable reduction at the end of the 4-year period. For it must continue to strengthen its economic structure both by importing the necessary machinery and by purchasing supplies of industrial products abroad if it is to improve the standard of life of the people, which is at the moment too low.

For the same reason, Turkey is seeking to solve the problem of its economic recovery in the expansion of world trade rather than within the framework of autarchic tendencies.

It hopes then that the habitual deficit in its balance of payments will be covered thanks to the re-opening of normal foreign capital movements and normal trade methods. Thus, through the continued development of its economic potential, Turkey will be able to attain stability in its balance of payments in the future by this normal process.

Thanks to the achievement of these programmes, its export potential will have increased by about 73 % compared with that of the year 1947.

Since agricultural produce is the predominating factor in Turkish production, the balance of payments in 1952-53 will be closely dependent upon harvests. However, estimates have been based neither on a year of extreme prosperity nor on a year of poor crops, but on one of average harvests.

It is extremely hard to estimate with any degree of accuracy our balance of trade or of payments with Western Germany in 1952-53.

Having regard to the efforts made by the latter to expand its productive capacity and to raise the standard of living of its people, provision has been made for a very considerable increase in trade between the two countries.

Regarding the future position of trade and of the balance of payments with Eastern Europe, as the future conceals a mass of unknowns, it has been found impossible to assume the volume of trade reached during the pre-war period.

If Turkey manages to obtain the foreign funds necessary to carry out its production programmes, it will have normal stability in its external balance of payments.

It will then be possible to make a definite move towards freer trade and remove the restrictions which now hamper international trade and payments.

Monetary policy

Turkey's programme for economic recovery is mainly founded upon the intensification of its productive effort and the rational use of its natural advantages.

The success of this programme entirely depends upon permanent stability of economic conditions. Only by a monetary policy suited to the requirements of the overall structure of the country can these conditions, necessary to stimulate the national effort, be maintained.

Such a policy, giving the country a currency with stable purchasing power, will make it possible to integrate the national productive capacity with foreign trade openings.

Conscious of the necessity of maintaining a stable price level, the Turkish Government took suitable measures to meet the requirements of the situation arising from the war economy.

With this end in view, it introduced a series of measures, among others price fixing, rationing and the allocation of certain consumer goods and raw materials. The Turkish Government also introduced complementary controls of import and export prices.

After the end of hostilities, in order to adjust the external value of its currency to the

general post-war economic conditions, the Turkish Government carried out a devaluation immediately prior to joining the international monetary fund.

This monetary operation allowed the Turkish Government to abolish restrictions on trade as far as possible.

The Turkish Government will continue resolutely to pursue a stable money policy, in the firm hope that this will encourage production and exports and favour foreign capital investment as well as commercial credit.

The maintenance of such stability during the execution of the recovery programme depends entirely on adequate extraordinary outside aid being made available to the country.

Financial policy

If it is to achieve the economic recovery of this country as planned, the Turkish Government considers essential to buttress its production policy, founded on a policy of stable money by a financial policy suited to the economic and social structure.

This policy will make it possible to expand national savings, and, at the same time, to speed up the rise in the standard of living.

This national saving, encouraged by the Government's monetary policy, is canalised by specialised banks towards the economic sectors essential to the viability of the country. These conditions will also encourage the collaboration of foreign capital.

A proportion of the national savings will be directed towards public investments, and especially towards railway construction to be carried out by means of State loans.

Realising the necessity of maintaining a balanced budget, the Government is energetically continuing the work already begun in the fiscal field by reducing special expenditure, by rationalising the administrative machinery and by overhauling its fiscal system and rules.

Turkish financial policy, based on the principle of a balanced budget, will thus continue to be the foundation of a sound economy.

It should, nevertheless, be remarked that Turkey is still feeling the pressure of the general political situation, especially that in the Balkans, and the Government has been compelled to maintain large numbers of men under arms ; this is a heavy charge on both budget and national production.

TABLES SUBMITTED TO O.E.E.C.

O.E.C.E. — O.E.E.C.

52-53

NIVEAUX DE CONSOMMATION ET DE PRODUCTION (Prévisions)
PRODUCTION AND CONSUMPTION (Forecasts)

PAYS DECLARANT / REPORTING COUNTRY	
TURKEY TURQUIE	**I**

PRODUITS / PRODUCTS (1)		UNITE / UNIT (2)	CONSOMMATION / CONSUMPTION (3)	PRODUCTION / PRODUCTION (4)	IMPORTATIONS / IMPORTS (5)	EXPORTATIONS / EXPORTS (6)
I. Produits agricoles : Agricultural products :		En 1.000 Tonnes métriques 1.000 metric tons				
— Céréales panifiables. — Bread grains.	1	»	6,140.0	6,340.0	0	200
— Céréales secondaires. — Course grains.	2	»	2,907	3,407	0	500
— Graisses et huiles. — Fats and oils.	3	»	187	245	2	60
— Viandes. — Meat.	4	»	158	218	0	60
— Lait et produits laitiers (autres que le beurre). — Milk and dairy products (other than butter).	5	»	897	900	0	3
II. Combustibles minéraux solides : Mineral solid fuels :		En 1.000 Tonnes métriques 1.000 metric tons	2,960	3,720	0	760
III. Pétrole et produits pétroliers : Oil and petroleum products :		En 1.000 Tonnes métriques 1.000 metric tons				
— Pétrole brut. — Crude oil.	6	»				
— Produits raffinés. — Refined products.	7	»	1,000	0	1,000	0
IV. Métaux : Metals :		En 1.000 Tonnes métriques 1.000 metric tons				
— Acier brut. — Crude steel.	8	»	130	130	0	0
— Produits finis laminés. — Finished steel.	9	»	360	100	260	0
— Cuivre. — Copper.	10	»	10	26	0	16
— Aluminium. — Aluminium.	11	»	1	0	1	0
V. Textiles : Textiles :		En 1.000 Tonnes métriques 1.000 metric tons				
— Coton brut. — Raw cotton.	12	»	55	90	0	35
— Laine brute. — Raw wool.	13	»	39.2	47	7.2	15
— Fibres artificielles. — Artificial fibre.	14	»	1.0	0.3	0.7	0
VI. Bois : Timber :		En 1.000 m³ 1.000 cubic meters				
— Bois scié résineux. Sawn softwood.	15	»	980	550	480	50
— Bois sciés feuillus. Sawn hardwood.	16	»				
VII. Courant électrique : Electric power :		En 1.000.000 Kwh 1.000.000 kw/h	1,085	1,230	-	-

O. E. C. E. — O. E. E. C.

52-53

BALANCE DES PAIEMENTS (Prévisions)

BALANCE OF PAYMENTS (Forecasts)

UNITE UNIT	VALEUR : $ 1.000.000 Avec une décimale VALUE : $ 1.000.000 To one decimal place

PAYS DECLARANT REPORTING COUNTRY	
TURKEY TURQUIE	II

POSTES ITEMS	PAYS NON PARTICIPANTS NON PARTICIPATING COUNTRIES				PAYS PARTICIPANTS PARTICIPATING COUNTRIES		TOTAL
	AMÉRIQUE DU NORD ET AMÉRIQUE CENTRALE NORTH AND CENTRAL AMERICA	AMÉRIQUE DU SUD SOUTH AMERICA	PAYS NON PARTICIPANTS DE LA ZONE STERLING NON PARTICIPATING STERLING AREA	AUTRES OTHERS	PAYS PARTICIPANTS (autres que ceux de la zone sterling) ET LEURS TERRITOIRES D'OUTRE-MER NON STERLING AREA PARTICIPANTS AND THEIR D.O.Ts	PAYS PARTICIPANTS DE LA ZONE STERLING (y compris les T.O.M. britanniques) PARTICIPATING STERLING AREA (including British D.O.Ts)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. — DÉPENSES — EXPENDITURE							
1. Importations F.O.B. Imports F.O.B.	63.9	6.2	25.7	62.3	180.5	56.4	395.0
2. Importations F.O.B. des T.O.M. Imports F.O.B. of D.O.Ts.	-	-	-	-	-	-	-
3. Transports. Transports.	4.3	-	-	-	10.9	1.4	16.6
4. Tourisme. Tourism.	0.1	-	0.1	0.1	0.1	0.1	0.5
5. Bénéfices et dividendes. Profits and dividends.	0.7	-	0.2	0.6	1.5	0.4	3.4
6. Service de la Dette. Service of Debt.	3.9	-	-	0.7	1.8	19.8	26.0
7. Autres dépenses. Other expenditure	4.4	0.3	0.6	2.2	6.0	1.0	14.5
8. Autres dépenses des T.O.M. Other expenditure of D.O.Ts.	-	-	-	-	-	-	-
TOTAL DES DÉPENSES TOTAL EXPENDITURE	77.3	6.5	26.6	65.9	200.8	78.9	456.0
II. — RECETTES — RECEIPTS							
1. Exportations et réexportations F.O.B. Exports and reexports F.O.B.	56.4	1.5	5.6	81.0	183.9	58.1	386.5
2. Exportations et reexportations F.O.B. des T.O.M. Exports and reexports F.O.B. of D.O.Ts.	-	-	-	-	-	-	-
3. Transports. Transports.	-	-	-	-	8.8	0.8	9.6
4. Tourisme. Tourism	0.5	0.2	0.5	0.5	1.0	0.3	3.0
5. Bénéfices et dividendes. Profits and dividends.	2.5	0.2	0.1	2.4	5.2	1.1	11.5
6. Service de la Dette. Service of Debt.	-	-	-	-	-	-	-
7. Autres recettes. Other receipts.	6.6	0.1	0.1	6.0	11.1	2.6	26.5
8. Autres recettes des T.O.M. Other receipts of D.O.Ts.	-	-	-	-	-	-	-
TOTAL DES RECETTES TOTAL RECEIPTS	66.0	2.0	6.3	89.9	210.0	62.9	437.1
1. Solde débiteur (−). Debit Balance (−).	11.3	4.5	20.3	-		16.0	18.9
2. Solde créditeur (+). Credit Balance (+).	-	-	-	24.0	9.2	-	

O.E.C.E. — O.E.E.C.

52-53

PROGRAMME A LONG TERME IMPORTATIONS F.O.B. (Prévisions)

LONG TERM PROGRAMME IMPORTS F.O.B. (Forecasts)

UNITE VALEUR : $ 1.000.000 avec une décimale	UNIT VALUE : $ 1.000.000 to one decimal place

PAYS DECLARANT REPORTING COUNTRY	III
TURKEY / TURQUIE	

PRODUITS / PRODUCTS		PAYS NON PARTICIPANTS FROM NON PARTICIPATING COUNTRIES				PAYS PARTICIPANTS FROM PARTICIPATING COUNTRIES		TOTAL	TERRITOIRES D'OUTRE-MER DU PAYS INTERESSE / OWN D.O.Ts
		Amérique du Nord et Amérique Centrale / North and Central America	Amérique du Sud / South America	Pays non participants de la zone sterling / Non participating sterling area	Autres / Others	Pays participants (autres que ceux de la zone sterling) et leurs territoires d'Outre-Mer / Non sterling area participants and their D.O.Ts	Pays participants de la zone sterling (y compris les T.O.M. britanniques) / Participating sterling area (including British D.O.Ts)		
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. Agricultural products : Produits agricoles :									
— Céréales panifiables. — Bread grains.	1								
— Céréales secondaires. — Course grains.	2								
— Graisses et huiles (y compris le beurre). — Fats and oils (including butter).	3		0.1		0.2	0.1	0.6	1.0	
— Viande et produits laitiers (autres que le beurre). — Meat and dairy products (other than butter).	4								
— Tous autres produits pour l'alimentation humaine et celle du bétail (y compris les semences et les boissons). — All other products for for human and animal consumption (seeds and beverages included).	5		6.0	2.5	1.5			10.0	
— Tabac (non manufacturé). — Tobacco (unmanufactured).	6								
II. Combustibles minéraux solides : Mineral solid fuels :	7								
III. Pétroles et produits pétroliers : Oil and petroleum products :									
— Pétrole brut. — Crude oil.	8								
— Produits raffinés. — Petroleum products.	9	30.0	-	-	-	-	10.0	40.0	
IV. Minerais et métaux : Ores and Metals :									
Produits destinés à la fabrication de l'acier. — Steelmaking materials.	10								
— Acier brut. — Crude steel.	11					0.4		0.4	
— Produits finis laminés. — Finished steel.	12	3.0			6.0	26.5	4.5	40.0	
— Cuivre. — Copper rolled.	13								
— Autres minerais et métaux non ferreux. — Other ores and non-ferrous metals.	14				1.0	3.0	1.0	5.0	
V. Equipement : Equipment :									
— Camions et camionnettes. — Trucks and lorries.	15	2.0				2.0	2.0	6.0	
— Autres machines et matériels d'équipement. — All other machinery and equipment.	16	25.0		2.5	26.0	64.5	17.7	135.7	

Suite - Continued

TURKEY
TURQUIE

III

PRODUITS PRODUCTS		PAYS NON PARTICIPANTS FROM NON PARTICIPATING COUNTRIES				PAYS PARTICIPANTS FROM PARTICIPATING COUNTRIES		TOTAL	TERRITOIRES D'OUTRE-MER DU PAYS INTERESSE
		AMÉRIQUE DU NORD ET AMÉRIQUE CENTRALE NORTH AND CENTRAL AMERICA	AMÉRIQUE DU SUD SOUTH AMERICA	PAYS NON PARTICIPANTS DE LA ZONE STERLING NON PARTICIPATING STERLING AREA	AUTRES OTHERS	PAYS PARTICIPANTS (autres que ceux de la zone sterling) ET LEURS TERRITOIRES D'OUTRE-MER NON STERLING AREA PARTICIPANTS AND THEIR D.O.Ts	PAYS PARTICIPANTS DE LA ZONE STERLING (y compris les T.O.M. britanniques) PARTICIPATING STERLING AREA (including British D.O.Ts)		OWN D.O.Ts
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
VI. MATIÈRES PREMIÈRES TEXTILES ET PRODUITS DE L'INDUSTRIE TEXTILE ; TEXTILE MATERIALS AND PRODUCTS :									
— Coton brut. Raw cotton.	17								
— Laine brute. Raw wool.	18			12.0				12.0	
— Autres matières premières textiles et déchets. Other textile raw materials and waste.	19								
— Produits manufacturés (filés et tissus, à l'exclusion des vêtements et de la bonneterie). Manufactured products (yarns and woven fabrics included, apparel and hosiery excluded).	20	0.3		6.7	8.0	24.0	9.0	48.0	
VII. AUTRES PRODUITS ; OTHER GOODS :									
a) *Matières premières et produits semi-finis* : a) *Materials and semi finished products* :	21								
— Bois. Timber.	22	-	-	-	7.0	20.0	-	27.0	
— Engrais. Fertilisers.	23	0.4	-	-		0.1	-	0.5	-
— Autres matières et produits semi-finis. All other materials and semi finished products.	24	1.6	0.1	1.2	6.6	17.0	4.9	31.4	
b) *Produits manufacturés (N.D.A.)* b) *All other products not elsewhere specified.*	25	1.6	-	0.8	6.0	22.9	6.7	38.0	
TOTAL		63.9	6.2	25.7	62.3	180.5	56.4	395.0	

O.E.C.E. — O.E.E.C.

52-53

PROGRAMME A LONG TERME EXPORTATIONS ET REEXPORTATIONS F.O.B. (Prévisions)

LONG TERM PROGRAMME EXPORTS & RE-EXPORTS F.O.B. (Forecasts)

PAYS DECLARANT REPORTING COUNTRY	IV
TURKEY TURQUIE	

UNITE UNIT	VALEUR : $ 1.000.000 Avec une décimale VALUE : $ 1.000.000 To one décimal place

PRODUITS ITEMS		PAYS NON PARTICIPANTS NON PARTICIPATING COUNTRIES				PARTICIPATING COUNTRIES PAYS PARTICIPANTS		TOTAL	TERRITOIRES D'OUTRE-MER DU PAYS INTERESSE OWN D.O.Ts
		Amérique du Nord et Amérique Centrale North and Central America	Amérique du Sud South America	Pays non participants de la zone sterling Non-participating sterling area	Autres Others	Pays participants (autres que ceux de la zone sterling) et leurs T.O.M. Non sterling area participants and their D.O.Ts	Pays participants de la zone sterling (y compris les T.O.M. britanniques) Participating sterling area (including British D.O.Ts)		
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. Produits agricoles. Agricultural products	1	36.5	1.5	4.5	66.2	134.8	48.2	291.7	
II. Combustibles minéraux solides. Mineral solid fuels.	2	-	-	-	-	12.2	-	12.2	
III. Pétroles et Produits pétroliers. Oil and Petroleum products.	3	-	-	-	-	-	-	-	
IV. Minerais et Métaux. Ores and Metals.	4	6.6	-	-	1.0	6.2	0.7	14.5	
V. Equipement. Machinery.	5	-	-	-	-	-	-	-	
VI. Matières premières textiles et produits de l'industrie textile (y compris les vêtements et la bonneterie). Textile materials and products (including clothing).	6	2.0	-	-	5.3	25.5	2.5	35.3	
VII. Autres produits. Other goods.	7	11.3	-	1.1	3.5	5.2	6.7	32.8	
TOTAL	8	56.4	1.5	5.6	81.0	183.9	58.1	386.5	

O.E.C.E. — O.E.E.C.

52-53

PROGRAMME A LONG TERME ECHANGES AVEC L'ALLEMAGNE OCCIDENTALE (Prévisions)

LONG TERM PROGRAMME TRADE WITH WESTERN GERMANY (Forecasts)

UNITE / UNIT	VALEUR : $ 1.000.000 avec une décimale / VALUE : $ 1.000.000 to one decimal place

PAYS DECLARANT / REPORTING COUNTRY: TURKEY / TURQUIE — **V**

PAIEMENTS / PAYMENTS

	Item		Valeur / Value
	IMPORTATIONS F.O.B. / IMPORTS F.O.B.		
I	Produits agricoles / Agricultural products	1	-
II	Combustibles minéraux solides / Mineral solid fuels	2	-
III	Pétrole et Produits pétroliers / Oil and petroleum products	3	-
IV	Minerais et Métaux / Ores and Metals	4	-
V	Equipement / Machinery	5	45.0
VI	Matières premières textiles et Produits de l'industrie textile (à l'exclusion des vêtements et de la bonneterie) / Textile materials and products (excluding clothing)	6	4.0
VII	Autres produits / Other goods	7	10.0
	INVISIBLES	8	1.0
	TOTAL	9	60.0
	Solde débiteur / Debit balance	10	-

RECETTES / RECEIPTS

	Item		Valeur / Value
	EXPORTATIONS et RE-EXPORTATIONS F.O.B. / EXPORTS and RE-EXPORTS F.O.B.		
I	Produits agricoles / Agricultural products	1	50.0
II	Combustibles minéraux solides / Mineral solid fuels	2	-
III	Pétrole et Produits pétroliers / Oil and petroleum products	3	-
IV	Minerais et Métaux / Ores and Metals	4	1.0
V	Equipement / Machinery	5	-
VI	Matières premières textiles et Produits de l'industrie textile (à l'exclusion des vêtements et de la bonneterie) / Textile materials and products (excluding clothing)	6	5.0
VII	Autres produits / Other goods	7	3.0
	INVISIBLES	8	1.0
	TOTAL	9	60.0
	Solde créditeur / Credit balance	10	-

TURKEY

O.E.C.E. — O.E.E.C.

52-53

PROGRAMME A LONG TERME ECHANGES AVEC L'EUROPE ORIENTALE (Prévisions)

LONG TERM PROGRAMME TRADE WITH EASTERN EUROPE (Forecasts)

PAYS DECLARANT REPORTING COUNTRY	VI
TURKEY TURQUIE	

UNITE UNIT	VALEUR : $ 1.000.000 : Avec une décimale VALUE : $ 1.000.000 To one decimal place

	PAIEMENTS PAYMENTS ITEM		VALEUR VALUE
	IMPORTATIONS F.O.B. IMPORTS F.O.B.		
I	PRODUITS AGRICOLES AGRICULTURAL PRODUCTS	1	-
II	COMBUSTIBLES MINÉRAUX SOLIDES MINERAL SOLID FUELS	2	-
III	PÉTROLE ET PRODUITS PÉTROLIERS OIL AND PETROLEUM PRODUCTS	3	-
IV	MINERAIS ET MÉTAUX ORES AND METALS	4	-
V	EQUIPEMENT MACHINERY	5	26.000
VI	MATIÈRES PREMIÈRES TEXTILES ET PRODUITS DE L'INDUSTRIE TEXTILE (à l'exclusion des vêtements et de la bonneterie) TEXTILE MATERIALS AND PRODUCTS (excluding clothing)	6	6.000
VII	AUTRES PRODUITS OTHER GOODS	7	22.800
	INVISIBLES	8	3.100
	TOTAL	9	57.900
	SOLDE DÉBITEUR DEBIT BALANCE	10	33.500

	RECETTES RECEIPTS ITEM		VALEUR VALUE
	EXPORTATIONS et RE-EXPORTATIONS F.O.B. EXPORTS and RE-EXPORTS F.O.B.		
I	PRODUITS AGRICOLES AGRICULTURAL PRODUCTS	1	14.700
II	COMBUSTIBLES MINÉRAUX SOLIDES MINERAL SOLID FUELS	2	
III	PÉTROLE ET PRODUITS PÉTROLIERS OIL AND PETROLEUM PRODUCTS	3	
IV	MINERAIS ET MÉTAUX ORES AND METALS	4	1.000
V	EQUIPEMENT MACHINERY	5	
VI	MATIÈRES PREMIÈRES TEXTILES ET PRODUITS DE L'INDUSTRIE TEXTILE (à l'exclusion des vêtements et de la bonneterie) TEXTILE MATERIALS AND PRODUCTS (excluding clothing)	6	5.300
VII	AUTRES PRODUITS OTHER GOODS	7	2.600
	INVISIBLES	8	0.500
	TOTAL	9	24.400
	SOLDE CRÉDITEUR CREDIT BALANCE	10	